



August 24, 2004

STRICTLY CONFIDENTIAL

Southern Union Company  
One PEI Center  
Wilkes-Barre, PA 18711-0601

Attention: David J. Kvapil  
Executive Vice President and Chief Financial Officer

Ladies and Gentlemen:

As you know, J.P. Morgan Securities Inc. ("JPMorgan") has issued an opinion, dated June 24, 2004, as to the fairness to Southern Union Company (collectively with its subsidiaries and affiliates, the "Company"), from a financial point of view, of the consideration to be paid by the Company for its proposed equity investment in CCE Holdings, LLC ("Holdings") in connection with the proposed purchase by Holdings of the membership interests in CrossCountry Energy LLC (the "Transaction"). We understand that in connection with the Company's Section 17A filing with the Massachusetts Department of Telecommunications and Energy ("DTE") in connection with the Transaction, the DTE has received, on a confidential basis, a copy of such opinion and has requested to include reference to such opinion in the public record of the DTE's determination regarding the Company's participation in the Transaction. In order to facilitate the DTE approval process for the Company, JPMorgan hereby consents that the following disclosure regarding JPMorgan and its opinion may be made in the DTE's public record:

"J.P. Morgan Securities Inc. rendered an opinion, dated June 24, 2004 and addressed to the Board of Directors of Southern Union Company, to the effect that as of that date and based upon and subject to the assumptions, qualifications and limitations set forth in such opinion, the consideration proposed to be paid by Southern Union for its equity investment in CCE Holdings, LLC in connection with its proposed purchase of the membership interests in CrossCountry Energy LLC for \$2,350,000,000, less the Transwestern Debt Amount (as defined) (the "Transaction"), was fair to Southern Union, from a financial point of view. Such opinion was limited to the fairness to Southern Union, from a financial point of view, of the consideration to be paid for such equity investment and no opinion was expressed as to the fairness of the Transaction or any related transactions to CCE Holdings or any other party. Such opinion was provided solely for the benefit of the Board of Directors of Southern Union in connection with and for purposes of its evaluation of the Transaction and its equity investment in CCE Holdings and was not on behalf of, and does not confer rights or remedies upon, any shareholder, creditor or any other person other than the Board of Directors of Southern Union and is not to be used or relied upon for any other purpose."

Southern Union Company  
August 24, 2004

Please contact the undersigned or JPMorgan's in-house attorney, Leslie K. Gardner (212-622-5290), if you have any questions.

Very truly yours,

J.P. MORGAN SECURITIES INC.

By: 

Name: CHRISTOPHER LOWE

Title: MANAGING DIRECTOR